

## Message Text

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PAGE 01 CANBER 06803 170324Z

16

ACTION EA-10

INFO OCT-01 ARA-06 NEA-06 ISO-00 AGR-05 AEC-05 AID-05

CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-04 FPC-01

H-01 INR-05 INT-05 L-01 NSAE-00 NSC-05 OMB-01 PM-03

RSC-01 SAM-01 SCI-02 SP-02 SS-15 STR-01 TRSE-00

FRB-01 FEA-01 PA-01 PRS-01 USIA-06 SAB-01 DRC-01 IO-04

/104 W

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R 170253Z OCT 74

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 4303

INFO AMEMBASSY BRASILIA

AMCONSUL BRISBANE

AMEMBASSY JIDDA

AMCONSUL MELBOURNE

AMCONSUL PERTH

AMCONSUL SYDNEY

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E.O. 11652: N/A

TAGS: ETRD, ENRG, EAGR, SA, SA

SUBJ: NEWSPAPER CLAIMS SAUDIS SEEK OIL FOR WHEAT DEAL  
WITH AUSTRALIA

1. OCTOBER 16 MELBOURNE AGE CARRIES FRONT PAGE LEAD  
STORY BY HIGHLY RESPECTED CREIGHTON BURNS, DATELINED  
JIDDA, WITH BANNER HEADLINE READING: "ARABS OFFER US  
OIL FOR WHEAT: MOVE THREATENS OUR RELATIONS WITH  
WASHINGTON." GIST OF NEWS STORY IS THAT SAUDI ARABIA  
HAS OFFERED (OR PLANS TO) AUSTRALIA LONG-TERM OIL  
SUPPLIES IN RETURN FOR GUARANTEED SUPPLIES OF WHEAT  
AND FOOD GRAINS AND TECHNICAL ASSISTANCE IN DEVELOPING  
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PAGE 02 CANBER 06803 170324Z

SAUDI ECONOMY. SAG OBJECTIVE, STORY AVERS, IS "TO GAIN

GREATER LEVERAGE IN THE OIL WAR AND GREATER INDEPENDENCE FROM THE U.S." BRAZIL REPORTEDLY HAS "APPARENTLY RESPONDED SYMPATHETICALLY TO SAUDI SOUNDINGS", BUT GOA SO FAR PRETENDS "SITUATION DOES NOT EXIST" EVEN THOUGH SENIOR AUSTRALIAN GOVERNMENT TRADE MISSION TO VISIT JIDDA NEXT MONTH. SOURCE OF THIS INFORMATION NOT CLEAR, ALTHOUGH BURNS CITES "UNEASY AMERICAN DIPLOMATS" IN JIDDA.

2. CONSIDERABLE PRESTIGE OF AGE AND BURNS (ITS FOREIGN EDITOR) ADD SOME CREDIBILITY TO WHAT COULD OTHERWISE BE DISMISSED AS PURE SPECULATION. MAX HUGHES, CHIEF OF COMMERCIAL POLICY SECTION, DEPARTMENT OF FOREIGN AFFAIRS, TOLD EMBASSY OFFICER STORY BAFFLES DFA. SAG HAS MADE NO SUCH APPROACH, HUGHES STATES, AND GOA "DOES NOT BELIEVE THERE IS ANY SCOPE FOR SUCH AN ARRANGEMENT". AUST. TRADE MISSION TO JIDDA (ALSO TO VISIT BAGHDAD) WILL BE ROUTINE, "INNOCENT" TRADE DEVELOPMENT EFFORT WITH NO AUTHORITY TO NEGOTIATE SUCH DEALS, HUGHES SAYS.

3. ACTION REQUESTED: WHILE EMBASSY PREPARED TO ACCEPT HUGHES' REASSURANCES AT FACE VALUE, WE WOULD APPRECIATE ANY INFORMATION ON ALLEGED SAUDI OVERTURES TO AUSTRALIANS, BRAZILIANS OR OTHERS WHICH MIGHT LEND SUBSTANCE TO WHAT APPEARS TO BE MERE JOURNALISTIC CONJECTURE.  
GREEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, PETROLEUM, WHEAT  
**Control Number:** n/a  
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**Draft Date:** 17 OCT 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1974CANBER06803  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 JUL 2002  
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**Review Referrals:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NEWSPAPER CLAIMS SAUDIS SEEK OIL FOR WHEAT DEAL WITH AUSTRALIA  
**TAGS:** ETRD, ENRG, EAGR, SA, AS  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005